

WASHINGTON POST
13 May 1987

McFarlane Concedes He Withheld Data

Ex-Adviser Confronted With Discrepancies

By Dan Morgan and Walter Pincus
Washington Post Staff Writers

Former national security adviser Robert C. McFarlane conceded yesterday that while under oath before a congressional committee last December he did not give a "full account" about his knowledge of Saudi Arabian funding of the Nicaraguan contras or of his own involvement in raising the money.

It was one of many similar admissions drawn from McFarlane in his second day of testimony before the House and Senate select committees investigating the Iran-contra affair. During three hours of patient prodding by the House committee's chief counsel, John W. Nields Jr., President Reagan's former White House foreign policy adviser was confronted with new documents and testimony that pointed up discrepancies in his earlier representations to Congress.

In his questioning, Nields also delved into McFarlane's participation last November in revising the White House chronology of the Iran arms-for-hostages deals to conceal Reagan's initial approval and leave the impression that the 1985 arms shipments to Iran were solely an Israeli operation.

The issue is crucial because the November 1985 delivery to Iran of Israeli-owned but U.S.-manufactured Hawk antiaircraft missiles was assisted by the CIA without a presidential authorization or disclosure to Congress. Also, it has been the focus of a widening inquiry into a possible White House cover-up.

McFarlane seldom answered with "Yes" or "No" when asked potentially incriminating questions. When presented with evidence that conflicted with his own memory of events—or with prior testimony—he repeatedly declared, "I take your point," or "I accept your version of that."

When Nields reminded McFar-

lane that he had erroneously denied knowing of the Saudi contribution to the contras in December 1986, McFarlane admitted, "I was trying to use some tortured language—inappropriately, I think."

Asked at the close of the session by Sen. Paul S. Sarbanes (D-Md.), "who or what were you trying to shield or protect," a weary McFarlane responded initially, "Very likely, myself, my reputation, my own record of performance."

"And only that?" Sarbanes asked.

"Well, I believe, Sen. Sarbanes, that President Reagan's motives and direction to his subordinates throughout this enterprise has always been in keeping with the law and national values. I don't think he is at fault here and, if anybody is, I am."

Nields sought to show that the controversial 1985 transfer of Hawk missiles to Iran was, contrary to earlier accounts, known to a number of top administration officials—including McFarlane.

Nields revealed for the first time that then-Israeli Defense Minister Yitzhak Rabin had visited McFarlane in his White House office to discuss U.S. replenishment of the Hawk missiles if Israel shipped missiles then in Israel to Iran. Nields said that the investigating committees also had information that the Defense Department began early the next week to inquire about the availability of Hawk missiles to be used in a replenishment.

Subsequently, McFarlane admitted under questioning by Nields, he advised Reagan and Secretary of State George P. Shultz that the shipment of Hawks was under way and hopefully would result in the release of four U.S. hostages being held in Lebanon.

The Israeli shipment ran into trouble and McFarlane sought assistance through his National Security Council deputies and the Central Intelligence Agency in get-

ting the missiles to Iran. Ultimately no hostages were released after the shipment.

However, the final White House "historical chronology" of the U.S.-Iran arms sales contains only a cover story suggesting that the United States did not learn until January 1986 that the Israelis had shipped the Hawks. Yesterday, however, Nields introduced a Nov. 18, 1986, McFarlane memo in which he suggested that the initial references to U.S. knowledge of the Hawk transfer be changed to suggest that U.S. authorities thought only that "equipment" was being delivered.

Notes of McFarlane's Nov. 21, 1986, interview with Attorney General Edwin Meese III, made by Assistant Attorney General Charles J. Cooper, record that McFarlane indicated to the two men that he "thinks he first learned of it [the Hawk missile deliveries] when briefed for his trip to Iran in May [1986]." The May trip occurred six months after the actual deliveries which McFarlane had helped expedite.

In addition, the notes show he told Meese that in November 1985 he "learned that Israel had shipped oil equipment . . . [McFarlane] remembers no mention in all this of arms."

Meese went public a few days later, on Nov. 25, with his version of McFarlane's story of the November 1985 deliveries, but added a new twist. He said that the presi-

dent had learned only in February 1986 details of a November 1985 shipment.

Nields pressed McFarlane on whether, during the week of Nov. 17, 1986, when the White House chronology went through several revisions, he had discussed with then-national security adviser John M. Poindexter and NSC staff aide Oliver L. North how they would handle the Hawk problem.

"Did you . . . discuss with North or Poindexter the fact that each of you were going to say that your understanding of the November '85 shipment had been that it was oil-drilling equipment?" Nields asked.

"No," McFarlane said.

"Why was it, how did it come about, that all three of you, a year later, either through chronologies or interviews with the attorney general, [were] stating that in November of '85 it was your understanding that the Israelis were shipping oil drilling equipment?" Nields persisted.

That launched McFarlane on a protracted response that dealt with the various projects that the national security adviser was concerned with in 1985.

McFarlane, who was Reagan's national security adviser from October 1983 to December 1985, was present throughout the period when Congress placed various restrictions on U.S. assistance to the contras. After October 1984, all direct military assistance was banned by Congress under the Boland Amendment, named for a member of the House panel, Rep. Edward P. Boland (D-Mass.).

Yesterday, Nields produced evidence from McFarlane's White House files in an attempt to show that McFarlane was aware of, and participated in, a number of activities in support of the contras militarily during the most restricted period.

One such piece of evidence was a memo from Marine Lt. Col. North suggesting that McFarlane seek increased military aid for a Central American country, identified by

McFarlane Monday as Guatemala. North suggested that his boss might intercede with the secretaries of defense and state, citing the country's "commitment to democracy."

But North wrote in his memo that the "real purpose" of seeking extra aid was "to find a way by which we can compensate [Guatemala for] the extraordinary assistance they are providing to the Nicaraguan freedom fighters."

North attached to the memo a number of false "end-user certificates" that Guatemalan authorities had provided to a company run by retired Air Force major general Richard V. Secord so that he could export arms from Europe to the contras. Also attached was the Central American country's "wish list" of military equipment from the United States.

Another document in McFarlane's files was a report to North from retired Army major general John K. Singlaub telling of his meeting with David Walker, a former British commando officer who headed KMS and Saladin, two companies that perform "special services."

The memo reports a Walker offer to train contra forces in special operations, such as destroying Soviet-made Hind helicopters on the ground in Nicaragua.

In February 1986, several months after McFarlane had left government and become a consultant with Washington's Center for Strategic and International Studies, he wrote a memo to North stating, "We are trying to find a way to get 10 Blowpipe launchers and 20 missiles" through Short Brothers, a British arms company.

McFarlane explained to Nields that, at that time, the administration was authorized to provide advice to the contras.

"To learn of efforts or interest on the part of the contras and finding [them] Blowpipes to something else, wouldn't have necessarily been out of bounds," he said.

However, Nields noted, during 1985 McFarlane reported to then-

Rep. Michael D. Barnes (D-Md.), chairman of the House Foreign Affairs subcommittee on the Western Hemisphere, that he knew of no activities by North in violation of congressional prohibitions.

Last December, Rep. Dick Cheney (R-Wyo.) of the House Permanent Select Committee on Intelligence asked McFarlane: "Do you have any reason to believe that he [North] violated" instructions that the laws not be ignored.

At that time, Nields noted, his response was, "I don't, Mr. Cheney."

McFarlane, who has been haunted by misstatements during his various congressional appearances on the Iran-contra affair, yesterday contradicted material in the Tower review board report.

Referred to Page B165 in the Tower report, McFarlane was asked if his Oct. 4, 1986, offer to return to the White House to work on the Iranian hostage problem was related to the opening up of the "second channel," a new group of Iranian officials to serve as middlemen.

"I didn't know about the second channel at the time," McFarlane replied, adding, "I don't really know what really inspired that."

But on the same page in the Tower report, there is a note to him from North and Rear Adm. Poindexter dated Oct. 3. They tell McFarlane, "We have made contact with [the relative of a powerful Iranian official]" and go on to report details on the second channel, including a suggestion that "if this comes off may ask you to do second round after hostages are back."

House committee deputy minority chief counsel Richard Leon disclosed during his questioning that McFarlane met with North on April 9, 1986, in the latter's White House office. That, he said, was five days after North had written a memo to Poindexter talking about sending a high-level U.S. delegation to Tehran and talking about the possibility of diverting money from a new sale of arms to support the contras.

McFarlane said he never saw the diversion document but "it's very possible" he met with North that day, although "it doesn't ring any bells."